

State of California  
BOARD OF EQUALIZATION  
**SALES AND USE TAX REGULATION**

**Regulation 1553. MISCELLANEOUS REPAIR OPERATIONS.**

*Reference:* Section 6006, Revenue and Taxation Code.

**(a) BOOKBINDERS.** Bookbinders are consumers, rather than retailers, of the materials, such as cloth, leather, cardboard, glue, and thread, used in rebinding used books for a single or lump-sum charge, and tax applies to the sale of such materials to the bookbinder. If, however, the bookbinder makes a separate charge for such property at the fair retail selling price, the bookbinder is the retailer of the materials and tax applies to the amount of the separate charge.

When bound books are sold at retail, tax applies to the gross receipts without any deduction for the cost of binding, even when done by the seller of the books. Tax also applies to the entire charge for the initial binding of new books furnished to a bookbinder for binding, unless the customer of the bookbinder will sell the books in the regular course of business, in which case the customer of the bookbinder may furnish a resale certificate to the bookbinder.

Tax applies to the entire charge for binding done in connection with the furnishing of a finished product, i.e., a bound book, including a book produced with either a hard or soft cover by binding together materials such as magazines, newspapers, or business records.

**(b) MOTOR AND TRANSFORMER REWINDING.** Tax applies to sales of materials and supplies furnished in connection with the rewinding of motors and transformers. If a lump-sum price is charged for the materials and labor, 50 percent thereof is regarded as the sales price of the supplies and materials.

**(c) SHOE REPAIRPERSONS.** Persons engaged in repairing shoes are retailers of the tangible personal property furnished in connection with the repair work and tax applies to the retail selling price of such property. If a lump-sum or single charge is made for both materials and labor, 25 percent thereof is considered the retail selling price of the materials.

Tax applies to retail sales by shoe repairpersons of such items as shoes, polishes, and laces.

**(d) TENNIS RACKET RESTRINGING AND REPAIRING.** Persons engaged in repairing and restringing tennis rackets are retailers of the strings and other tangible personal property furnished, and tax applies to the retail selling price thereof. If a lump-sum charge is made for materials and labor, 50 percent thereof is regarded as the retail selling price of the materials furnished.

**(e) WATCH AND JEWELRY REPAIR PERSONS.** Persons engaged in repairing watches and jewelry are consumers of watch, clock and jewelry repair parts and materials such as crystals, findings, chain links, gold and gems used in repairing watches, clocks, and jewelry. Tax applies with respect to the sale to them of such property unless

(1) The retail value of the parts and materials furnished in connection with repair work is more than 10 percent of the total charge, or

(2) The repair person makes a separate charge for the repair parts and materials.

Repairers are, however, retailers of wrist watch straps, metal bands, watches, clocks, chains, precious stones, gems and other tangible personal property which they sell to consumers in the regular course of business and tax applies to the gross receipts from such retail sales.

When the retail value of wrist watch straps, metal bands, watches, clocks, chains, precious stones, gems and other tangible personal property furnished in connection with a repair work is more than 10 percent of the total charge for the repair, the repair person is the retailer of these parts and materials, and must segregate on the invoices to customers and in its records the fair retail selling price of these parts and materials from the charges for the repair labor performed. "Total charge" means the aggregate of the retail value of the parts and materials furnished or consumed in making the repairs and charges for the labor performed in making the repairs.

*History:* Effective August 1, 1933.

Adopted August 5, 1969, as a restatement of former rulings 32 (Cal. Admin. Code 1952); 33 (Cal. Admin. Code 1953); 34 (Cal. Admin. Code 1954); 35 (Cal. Admin. Code 1955), effective September 6, 1969.

Amended November 3, 1969, to include former Ruling 27 (Cal. Admin. Code 1947), effective December 5, 1969.

Amended January 8, 1975, effective February 16, 1975.

## Regulation 1553. (Continued)

Amended March 26, 2003, effective June 26, 2003. Subdivision (a) - word "he" replaced with "the bookbinder;" word "he" in first unnumbered paragraph replaced with "the customer of the bookbinder." Subdivision (c) - word "REPAIRMAN" in title replaced with "REPAIRPERSON." Words "Shoe repairmen" replaced with "Persons engaged in repairing shoes;" word "repairmen" in first unnumbered paragraph changed to "repairpersons." Subdivision (e) - word "REPAIRMEN" in title replaced with "REPAIR PERSONS.". Phrase "Persons engaged in repairing" added; word "Watch" changed to small case and made plural; word "and" before words "chain links" deleted and words "gold and gems" added afterward; word "unless" added to last sentence; new paragraphs (1) and (2) added word "They" in first unnumbered paragraph changed to "Repairers;" words "precious stones, gems" added after "chains;" new second unnumbered paragraph added .

*Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.*